

# Cost and Funding SC-NTB Federal Beach Project

## Town of Surf City

Funding Workshop Series #2  
December 8, 2012

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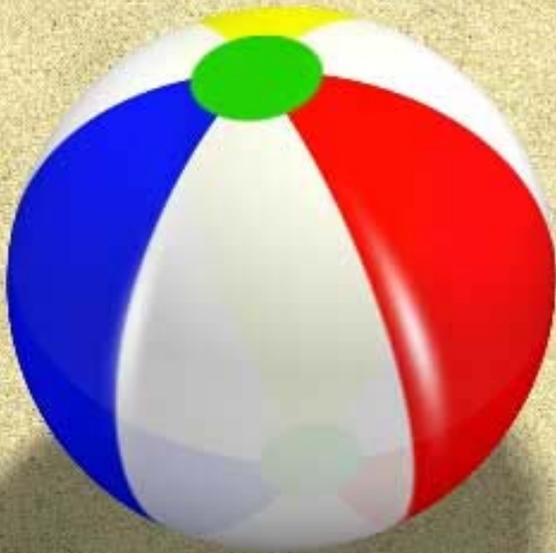
# Today's Workshop Agenda

- I. Intro: Workshop Schedule & Participation
- II. SC-NTB Federal Project - Plan 1550
- III. Funding Contributors - We're Not Alone
- IV. Where we go from here

## ■ Open Discussion

# Part I - Introduction

Workshop Schedule &  
Participation



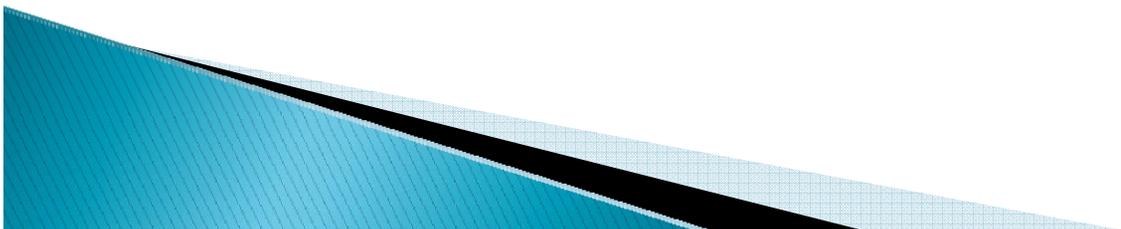
# Beach Funding Workshop Schedule

- Nov. 3: Workshop #1, Principles & Secrets
- Dec. 8: Workshop #2, Funding Concept
- Jan. 26: Workshop# 3, First Draft Plan
- March 2: Workshop #4, Second Draft Plan
- April 2: Presentation to City Council
- May 1: Final Report to Council

Note: Each Workshop will be conducted twice on the scheduled day

# How You Can Participate

- ▶ Attend and participate in Workshops
- ▶ Review Materials on City's Website
- ▶ Review and Comment on the Draft Plans
- ▶ Call me: 512-784-3565
- ▶ Email me: [peter@ravellaconsulting.com](mailto:peter@ravellaconsulting.com)



# Project Funding Principles

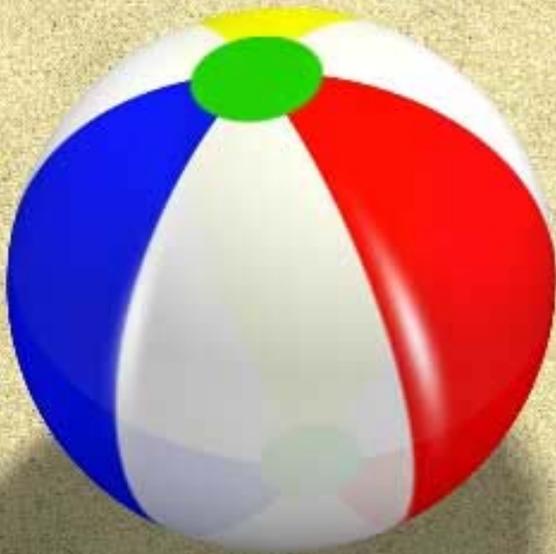
1. Prepare in Advance for Federal Project
2. Increase Local Savings Rate Beginning in 2013
3. Maximize Federal, State & County Contributions
4. Build on Local History of Sound Planning
5. Seek Stable, Broad-based Funding Mechanism as the Beach is an Asset for the Entire City

# Questions We Need to Answer

- ▶ How much do we need to save?
- ▶ How much time do we have to save it?
- ▶ What is the fair and workable way to raise the money we need?

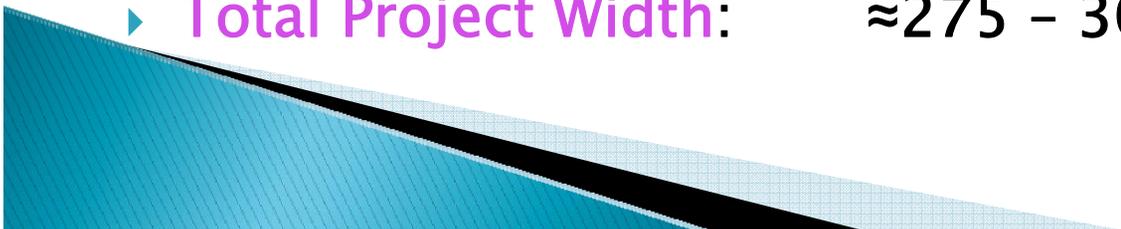
# Part II

SC- NTB Federal Project  
"Plan 1550"



# Plan 1550 – Your Federal Beach Project

- ▶ **Length:** 52,150 ft or 9.88 miles
- ▶ **Coverage:** Surf City plus  $\approx$  3 miles of NTB
- ▶ **Dune Height:** 15 ft
- ▶ **Dune Width:** 100 ft at base & 25 ft at crest
- ▶ **Dune Walkovers:** 60 included
- ▶ **Dune Vegetation:** Yes
- ▶ **Upper Beach Berm:** 50 ft wide @ +7 ft elevation
- ▶ **Lower Beach:**  $\approx$ 125 ft wide, sloping to the sea
- ▶ **Total Project Width:**  $\approx$ 275 – 300 feet



# Plan 1550 Schematic

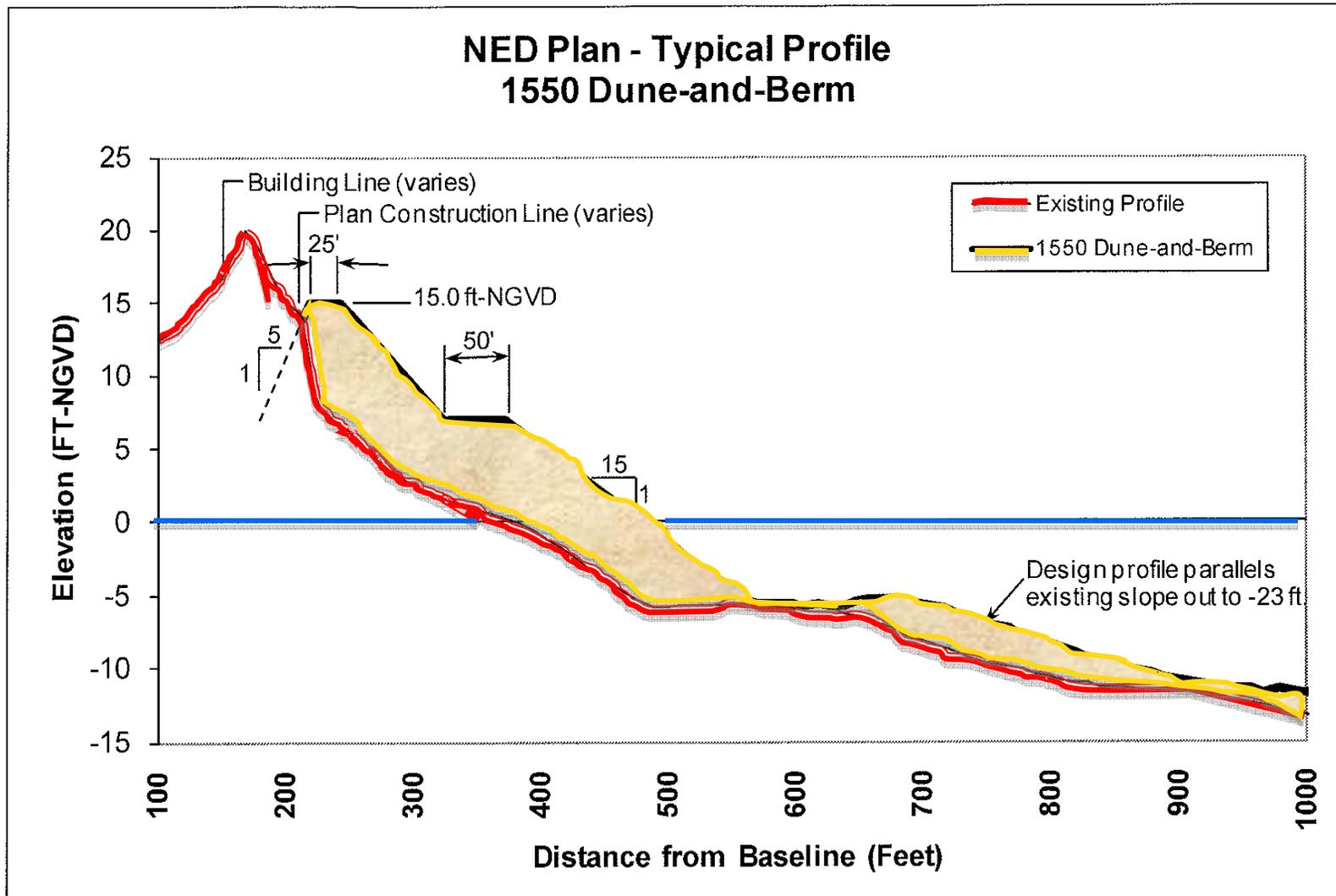
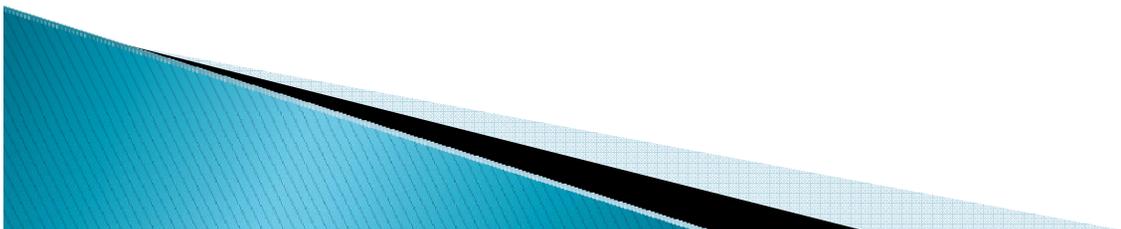


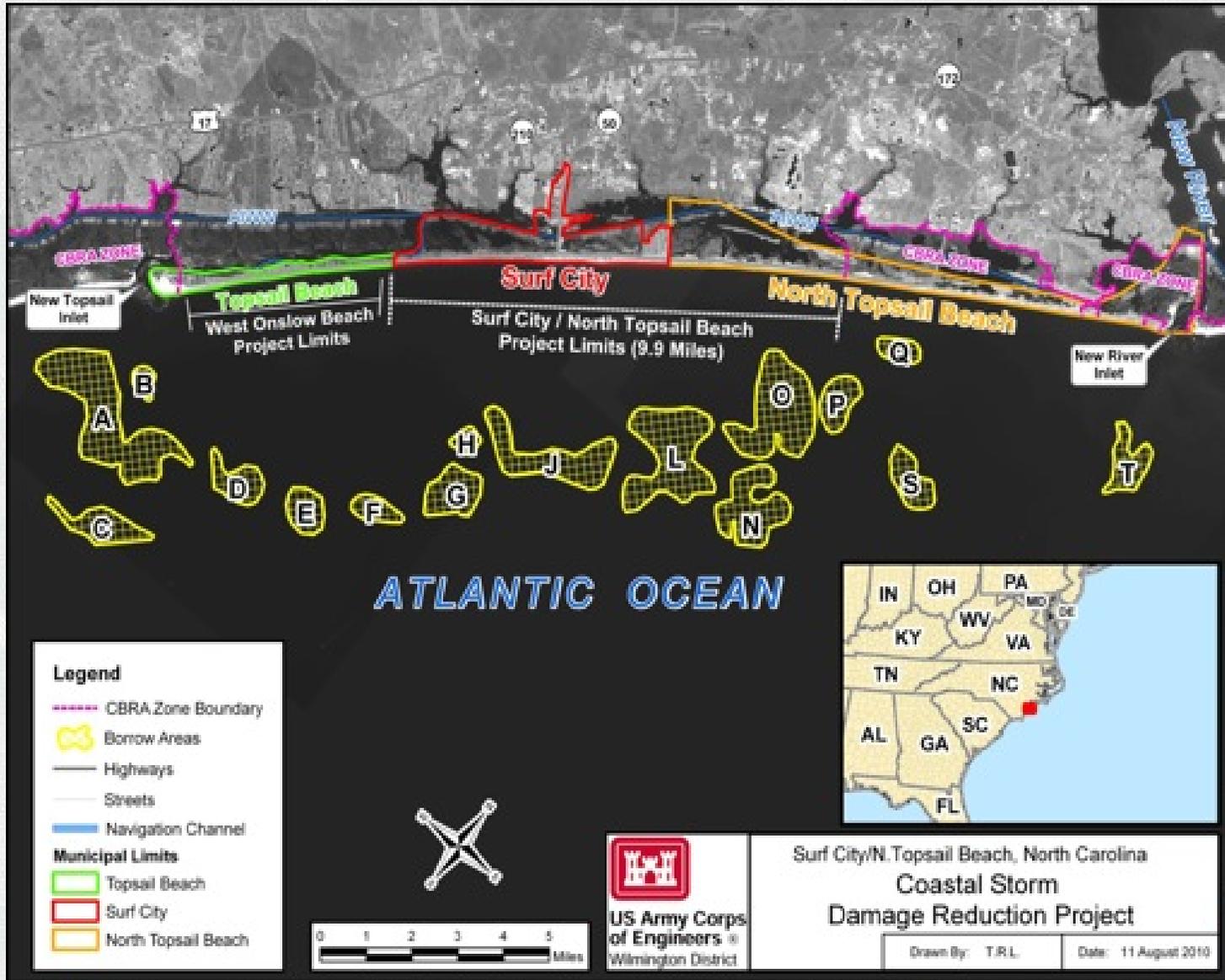
Figure 7.1. Plan 1550, NED Plan, cross section.

# Plan 1550 – Federal Beach Project Basics

- ▶ **Sand Source:** Offshore
- ▶ **Initial Sand Volume:** 11.9 million cu. yds.
- ▶ **Avg. Volume/Foot:** 228 cu. yds
- ▶ **Initial Construction Time:** 4 years
- ▶ **Renourishment Volume:** 2.9 million cu. yds.
- ▶ **Renourishment Interval:** 6 years
- ▶ **Renourishment Events:** 7
- ▶ **Project Duration:** 50 years



# Offshore Borrow Sites

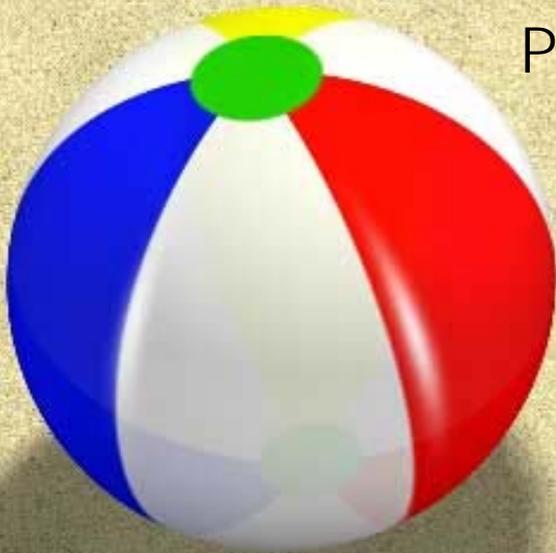


# Federal Funding Under WRDA

- SC-NTB Federal Project is authorized through the Water Resources Development Act or WRDA
- Congress must still authorize and appropriate funds for construction. WRDA expected in next Congress.
  - ✓ Reconnaissance Phase – Section 905(b) Report
  - ✓ Feasibility Study/EIS Phase
  - ✓ Project Design and Permitting
  - Appropriation for Construction Phase (we need this)
- Federal Project is 50-year duration
- Federal share is 50% – 65% of the cost

# Part III

Project Costs & Funding Contributors –  
We're Not Alone



# Plan 1550 Estimated Construction Costs

- ▶ **Initial Project Cost:** **\$132,648,000**  
(Oct 2010 price @ 4.375% Interest)
- ▶ **Renourishment Cost:** **\$21 to \$28 million**
- ▶ **Note 1:** Once the beach is constructed, the Corps will come back every six years to renourish the beach for 50 years.
- ▶ **Note 2:** The estimated renourishment volume is 2.9 million cubic yards, instead of 11.9 M cu. yds. for the first project.
- ▶ **Note 3:** Federal renourishment share is 50%, not 65%. SC will pay about \$3.5 to \$4.5 million per renourishment.

# The First Project – Who Pays?

Fund Source	Percent	Amount	Note
Corps of Engineers	65%	\$ 86,221,200	USACE share may be 1–3% lower based on vacant lots, parking, and other factors
State of North Carolina	17.5%	\$ 23,213,400	State share is 50% of the non-federal share of 35%
Surf City	10.7%	\$ 14,088,212	Based on shoreline length, SC pays 61% of the 17.5% local cost
North Topsail Beach	6.8 %	\$ 9,125,188	Based on shoreline length, NTB pays 39% of the 17.5% local cost
TOTAL	100%	\$132,648,000	Cost is construction only. Easements, parking, admin costs are extra

# Surf City's Current Beach Renourishment Fund

Revenue Sources FY 2011–2012	Amount
Ad Valorem Taxes (5¢ per \$100)	\$ 601,157
SC Accommodation Tax on Rentals	\$ 428,000
Pender County & State Transfers	\$ 185,928
Total Revenue	\$1,215,085
Expenditures FY 2011– 2012	(\$ 528,290)
<b>Net Revenues</b>	<b>\$ 676,795</b>
Account Balance as of June 30, 2012	\$ 5,167,054

# Outside Contributions to SC Beach Renourishment Fund, 2002 –2011

Contributor	Amount
State (DENR)	\$ 596,851
Pender County	\$ 891,097
Onslow County (2003–2007)	\$ 82,500
Total Outside Contributions	\$1,570,448

Note: Figures based on Surf City Beach Renourishment Account Ledgers, March 21, 2002 through September 20, 2011.

# Renourishment Fund Expenditures

Category	Notes
Federal Project Development (USACE)	On-going
Federal Lobbyist	Split with NTB & TB
State Lobbyist	Split with NTB & TB
Sand Push, Dune Plants	On as needed basis
Financial Planning	On-going
Misc – NCBIWA, Permit Fees, Meetings	Occasional

Note: PARC review of SC Renourishment Fund Expenditures is underway.

# Surf City Beach Fund Property Taxes

Revenue Source	FY 2011-2012
SC Assessed Value	\$1,281,005,872
Property Taxes Dedicated to Beach Fund	5 cents/\$100 value
Property Tax Revenue if 100% Collection	\$640,500/year
Revenues Generated per 1 cent Property Tax	\$128,100/year
Tax Rate Necessary Additional \$1 million	7.8 cents/\$100 value

Note: Surf City assessed values and property tax revenues are going up as new construction occurs and new areas are annexed. Accommodation Taxes collected from renters are also increasing, typically at 2-4% per year.

# Goal: Build Our Funding Coalition

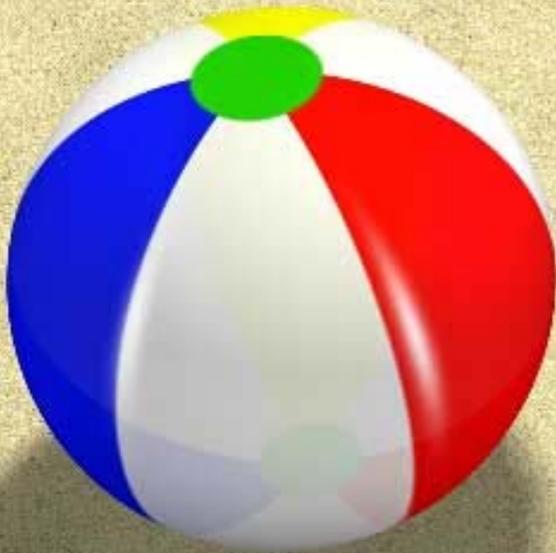
- ▶ USACE Public
- ▶ State of North Carolina Public
- ▶ Pender County Public
- ▶ Onslow County (??) Public
- ▶ Surf City Property Owners Private
- ▶ Surf City Vacation Renters Private
- ▶ **Other Sources:** Parking, Traffic Fines, ??

# Initial PARC Observations

- ▶ Surf City has a solid start on project funding with city-wide 5 cent property tax rate, accommodation tax set aside, and working partnerships with state and county.
- ▶ Timing of the Federal project is uncertain but preparing now for future costs is prudent.
- ▶ Initial construction costs will occur over 3–4 years, not in a single year, creating some funding flexibility.
- ▶ Current local funding streams are not adequate to pay for the initial federal project but may be for renourishment events.
- ▶ Local costs will drop considerably after first project is complete.

# Part VI

Where we go from here



# Upcoming PARC Work

- ▶ **Verify and Update Federal Project Costs**
- ▶ **Develop Model Federal Project Schedule**
- ▶ **Develop Model Schedule of Future Local Costs**
- ▶ **Estimate Future Local Beach Fund Revenues**
- ▶ **Identify Local Revenue Shortfall**
- ▶ **Prepare Draft Funding Model for Workshop 3**

# Questions We Need to Answer

- ▶ How much do we need to save?
- ▶ How much time do we have to save it?
- ▶ What is the fair and workable way to raise the additional funds we need?

# Open Discussion

(My Turn to Listen)